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Transplants Thrash Big Three In Productivity

by Lance Ealey and John McElroy

Detroit's best still isn't good enough in the productivity race. For years, American automakers have blamed everything from the strong dollar to an inherent workforce advantage in explaining why they couldn't stand toe to toe with Japanese automakers in terms of productivity.

As recently as four years ago, US auto executives were openly skeptical of the ability of Japanese transplants to better the productivity levels of domestic American assembly operations. The oft-used term "level playing field" summed up the thinking of many American auto executives in predicting the difficulties Japanese manufacturers would have in running their US operations.

Level playing field or no, the Japanese have beaten US productivity levels handily. A recent look at the performance of some of the newest and most efficient American automaker facilities compared to the transplants shows that the Japanese enjoy in some cases as much as a 2-to-1 productivity advantage over Big Three US assembly plants.

An interesting wrinkle involves NUMMI, the Toyota-managed GM/Toyota joint venture plant in Fremont, CA. NUMMI has a UAW-organized workforce, though the union agreed to significant work-rule changes for this plant. Still, NUMMI, along with Honda's Marysville, OH operation is the most productive of the transplant facilities.

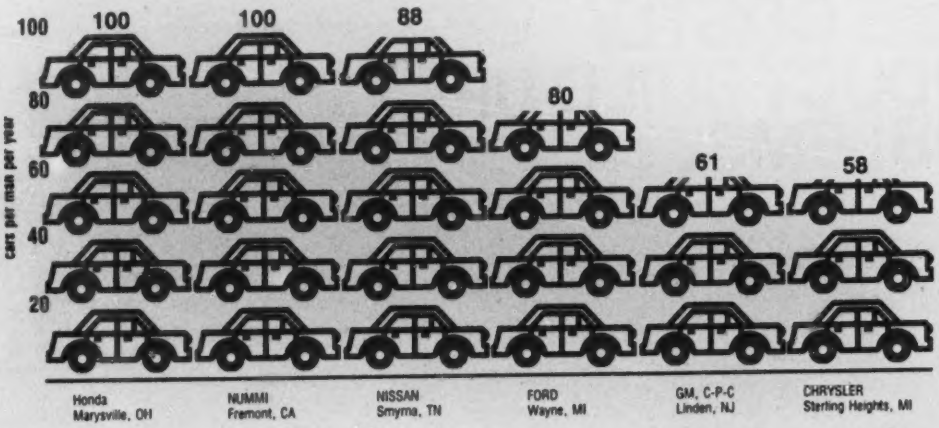
It's also worth noting that all of the transplant assembly operations include on-site stamping facilities and workforces, while the Big Three facilities do not.

Another point that shouldn't go unnoticed is that some of the Japan-based assembly operations of Japanese automakers are significantly more productive than the transplant facilities. Toyota's Tahara passenger car and truck assembly operation, for example, builds 125 vehicles per employee per year.

All of the cars built by Japanese transplants are subcompacts. However, in terms of price and option complexity, Japanese vehicles such as the Honda Accord compete evenly with many of the domestic models listed below. It's also interesting to note that Ford's Wayne, MI Escort plant, which builds the company's entry-level domestic offering and is the most productive of the US plants, is 24% less efficient than Honda's Marysville facility, which builds both entry-level and up-market vehicles.

The plants *AI* compared and the cars they produce are as follows: Honda Marysville, OH: Civic/Accord—100 cars/man/year; NUMMI Fremont, CA: Chevrolet Nova/Toyota Corolla FX—100 cars/man/year; Nissan Smyrna, TN: Sentra/pickup truck—88 vehicles/man/year; Ford Wayne, MI: Escort—80 cars/man/year; Ford Atlanta, GA: Ford Taurus/Mercury Sable—76 cars/man/year; GM C-P-C Group Linden, NJ: Chevrolet Corsica/Beretta—61 cars/man/year; Chrysler Sterling Heights, MI: Dodge Lancer and Shadow/Plymouth Sundance/Chrysler LeBaron GTS—58 cars/man/year; GM B-O-C Group Lansing, MI: Pontiac Grand Am/Oldsmobile Calais/Buick Somerset—53 cars/man/year; GM C-P-C Group Doraville, GA: Buick Century/Oldsmobile Ciera—46 cars/man/year. AI

Home Court Advantage Fizzles As Japanese Beat Big Three in US Productivity



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